



OFFICE OF
INSURANCE COMMISSIONER

In the Matter of

THE CAPITOL LIFE
INSURANCE COMPANY,

An Authorized Insurer

No. D06-311

CONSENT ORDER
IMPOSING A FINE

Findings of Fact:

1. The Capitol Life Insurance Company ("Capitol Life") is authorized to conduct insurance business in Washington State. It issues life and disability insurance.
2. Capitol Life filed its calendar year 2004 Annual Statement, Statement of Actuarial Opinion, and April Supplemental filing with the Office of the Insurance Commissioner ("OIC") on April 25, 2005.
3. Capitol Life failed to file its calendar year 2004 Separate Accounts Statement and Audited Financial Report with the OIC.
4. Capitol Life completed filing its calendar year 2005 Annual Statement on May 15, 2006. Capitol Life failed to file its calendar year 2005 April Supplemental filing with the OIC.

Conclusions of Law:

1. Capitol Life's failure to timely file its calendar year 2004 and calendar year 2005 Annual Statements, 2004 and 2005 April Supplemental filings, 2004 Separate Accounts Statement, and 2004 Audited Financial Report constitutes five violations of RCW 48.05.250.
2. RCW 48.05.185 authorizes the Commissioner to impose a fine in lieu of or in addition to the suspension or revocation of an insurer's certificate of authority.

Consent to Order:

Capitol Life consents to the following, in order to resolve this matter without further legal or administrative proceedings. The Insurance Commissioner consents to resolve this matter in consideration of Capitol Life's payment of a fine as set forth below.

1. Capitol Life consents to the entry of the foregoing Findings of Fact and Conclusions of Law, and acknowledges its duty to comply fully with all applicable laws and regulations of the State of Washington. It waives further administrative or legal challenge to the actions taken by the Insurance Commissioner that are related to the subject matter of this Order.

2. Within thirty days of the entry of this Order, Capitol Life will pay to the Insurance Commissioner a fine in the amount of \$3,125 (three thousand one hundred twenty five dollars).

3. Failure to pay the fine in full within thirty days of the entry of this order will constitute grounds for revocation of the certificate of authority held by Capitol Life in Washington State. It will also result in a civil action being brought by the Attorney General on behalf of the Insurance Commissioner, to recover the fine.

Executed this 13th day of December, 2006.

THE CAPITOL LIFE INSURANCE COMPANY

By: 

Printed Name: Daniel C. Carpenter

Printed Corporate Title: President & Treasurer

Pursuant to the foregoing Findings of Fact, Conclusions of Law, and Consent to Order, the Insurance Commissioner orders as follows:

Order:

1. The Capitol Life Insurance Company is ordered to pay, within thirty days of the entry of this order, a fine in the amount of \$3,125 (three thousand one hundred twenty five dollars).

2. Failure to pay the fine timely and in full will constitute grounds for revocation of the certificate of authority held by the insurer in Washington State. It will also result in a civil action being brought by the Attorney General on behalf of the Insurance Commissioner, to recover the fine.

Executed this 19th day of December, 2006

MIKE KREIDLER
Insurance Commissioner

By: 

Marcia G. Stickler
Legal Affairs Division